

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE FARMERS HOME ADMINISTRATION
Harrisburg, Pennsylvania

AND

THE ENVIRONMENTAL PROTECTION AGENCY, REGION III
Philadelphia, Pennsylvania

INTRODUCTION

The purpose of this Memorandum of Understanding is to record an agreement between the Region III Offices of the Environmental Protection Agency (EPA) and the PA State Office of the Farmers Home Administration (FmHA) concerning review of projects that involve Federal financial assistance, and that may affect the Seven Valleys Sole Source Aquifer designated pursuant to Section 1424(e) of the Safe Drinking Water Act (PL 93-523). This memorandum outlines the steps to be followed by FmHA in determining which projects should be subject to review and the procedures to be followed by both agencies in meeting the requirements of Section 1424(e).

Pursuant to Section-1424(e), EPA has determined that the aquifer system underlying Seven Valleys, Pennsylvania (The Aquifer) is the sole or principal source of drinking water for the area and that the Aquifer, if contaminated, would create a significant hazard to public health. Notice of this determination was published in 50 Federal Register 9126 (March 6, 1985).

As such, no FmHA commitment for Federal financial assistance (grants, contracts, loans, loan guarantees, etc.) may be entered into for any project which EPA determines may contaminate the Aquifer through its recharge zone, so as to create a significant hazard to public health. A map of the designated area is provided in Attachment 1.

GOAL

The goal of this memorandum is to assure that each project in the designated area that is to receive FmHA financial assistance is designed and constructed in a manner that will prevent the introduction of contaminants into the Aquifer in quantities that may create a significant hazard to public health.

A significant hazard to public health will occur if the level of contaminants in an Aquifer would either:

- (a) exceed any maximum contaminant level set forth in any promulgated National Primary Drinking Water Regulation at any point where the water may be used for drinking purposes; or
- (b) otherwise threaten public health.

PROJECT REVIEW

In order to achieve this goal, FmHA agrees to notify and provide EPA with a summary of all subject projects within the designated area at the earliest possible date. If an EIS is prepared for any project in the Aquifer area, FmHA and EPA will coordinate at the earliest possible time so that the EPA's 1424(e) comments can be incorporated into the draft EIS. The FmHA agrees to submit to EPA all projects for which one of the following loan authorities is utilized and EPA agrees to provide FmHA written review comments and determinations of impact for each project submitted to EPA.

- 1) Water and Waste Disposal loans and grants. (10.418)
- 2) Business and Industrial loans except for a small rural business having no significant impact outside the community in which the business is to be located. An information copy will be submitted, however, to the clearinghouse for these business proposals. (10.424)
- 3) Other Community Facility loans. (10.423)
- 4) Grants to facilitate development of private business enterprises. (10.424)
- 5) Watershed Protection and Flood Prevention loans. (10.41)
- 6) Resource Conservation and Development (RCD) loan and/or grant. (10.409)
- 7) Shift-in-Land-Use Project loans (except Grazing Association). (10.409)
- 8) Soil and Water (SW) Conservation loans (except loans to Soil and Water Conservation Districts for equipment). (10.409)
- 9) Rural Housing (RH) loans for new construction or substantial rehabilitation when conditional commitments or loans are to be made for 25 or more units in the same subdivision. (10.410)

- 10) Labor Housing (LH) loans and grants to build or substantially rehabilitate 25 or more units in the same project. (10.405)
- 11) Rural Rental Housing (RRH) and Rural Cooperative Housing (RCH) loans to build or substantially rehabilitate 25 or more units in the same project. (10.415)
- 12) Rural Housing Site (RHS) loans to develop 25 or more sites for individual family dwellings or 25 or more multiple housing units. (10.411)
- 13) Approval of subdivisions as well as expansion of an existing one which involves 25 or more lots.
- 14) Guaranteed loan commitments for more than 25 lots.
- 15) Projects that involve the storage or handling of hazardous or toxic materials (see attachment 2).
- 16) Other projects for which EPA requests information.
- 17) Any project that in the opinion of the FmHA State Director may affect water quality in the Aquifer to the extent that the goal outlined above would not be achieved. In exercising this discretion, the FmHA State Director shall be guided by the criteria provided in Attachment 3.

EXEMPT ACTIVITIES

A. The EPA and FmHA hereby mutually agree that activities listed below would not affect water quality in the Seven Valleys Aquifer and need not be referred to EPA for evaluation prior to funding. EPA may request information on these projects when the need arises.

1. Individual new or rehabilitated residential structures containing from one to twenty four units (except where it is determined that the cumulative effect of a number of these projects may contaminate the Aquifer so as to create a significant hazard to public health).
2. Subdivisions of twenty four or less lots.
3. Very Low Income Repair Loans.
4. Home Repair Grants for the Elderly.
5. Weatherization Loans.
6. Area Development Assistance Planning Grants (Section III grants).
7. Farm Operating Loans.

8. Disaster Emergency Loans.
9. Economic Emergency loans (to sustain conventional farm and ranch activity during a temporary economic emergency).
10. FmHA projects which will participate in previously EPA approved Veterans Administration (VA) or Department of Housing and Urban Development (HUD) projects. (Note: In order for FmHA to learn about current EPA approved projects, EPA will forward copies of letters to FmHA regarding EPA approval of VA and HUD projects).

REVIEW PROCEDURES

The EPA agrees to notify FmHA, within ten (10) calendar days of transmittal, if it intends to conduct a 1424(e) review. EPA shall have an additional twenty (20) calendar days in which to review and submit comments to the FmHA State Office. If EPA finds that supplemental information is necessary to make a determination, the remainder of the twenty day review will be deferred until such time as EPA is in receipt of the information requested.*

GENERAL PROCEDURAL MATTERS

A. Materials submitted to EPA by FmHA under this MOU will be addressed to the attention of the Branch Chief, U.S. EPA Region III, Water Supply Branch, (3WM40), 841 Chestnut Building, Philadelphia, PA 19107

B. FmHA and EPA will each assign liaison personnel to serve as contact points and to be responsible for maintaining communications as to procedures and activities of their respective agency. The liaison personnel are:

FmHA: State Environmental Coordinator, P.O. Box 905,
Federal Building, Harrisburg, Pennsylvania 17108

EPA: Branch Chief, U.S. EPA Region III, Water Supply
Branch, (3WM40)

The liaison personnel accompanied by appropriate staff will hold meetings as needed to discuss matters of concern related to the Aquifer and this Memorandum of Understanding.

The Memorandum of Understanding is subject to revision upon agreement of both parties.

U.S. Department of Agriculture
Farmers Home Administration

U.S. Environmental
Protection Agency

(sgd) D. Elmer Hawbaker
State Director

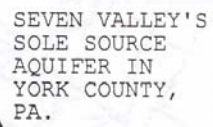
(sgd) James Seif
Regional Administrator

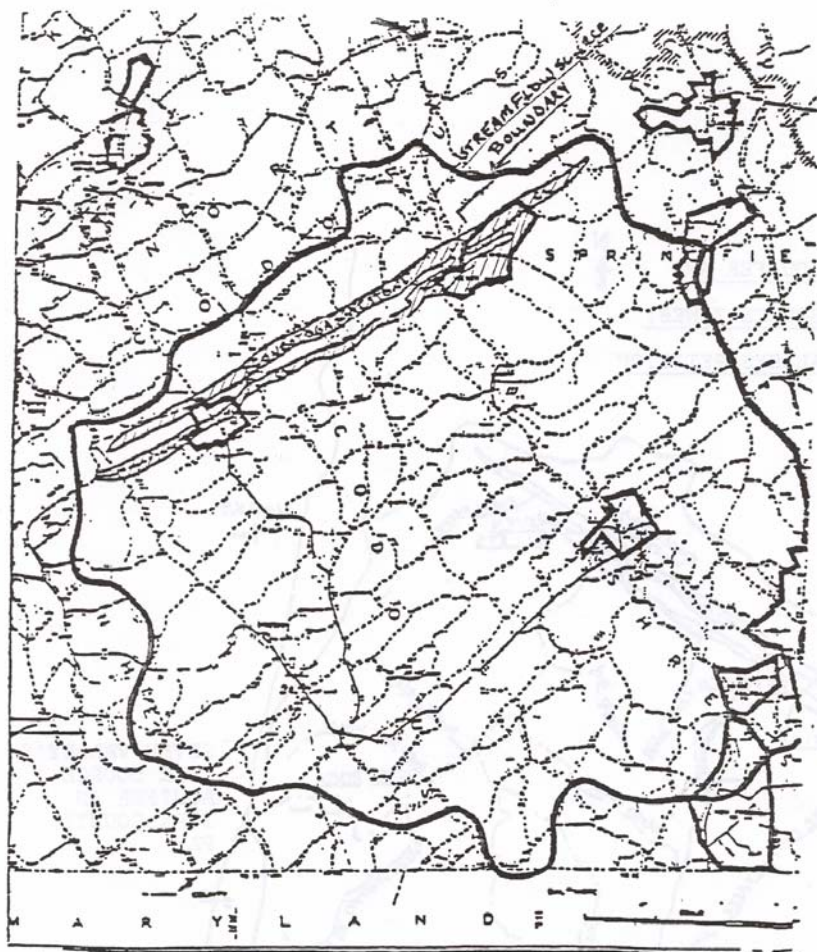
Dated: June 10, 1985

Dated: July 1, 1985

*EPA reserves the right, should extraordinary circumstances arise, to make arrangements with FmHA for a specific review period extension.

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KEY

- STREAM FLOW SOURCE ZONE BOUNDARY
- - - - AQUIFER BOUNDARY

SEVEN VALLEY'S SOLE SOURCE AQUIFER IN YORK CO. PA

AMENDMENT NO. 1
TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN
FARMERS HOME ADMINISTRATION
AND
ENVIRONMENTAL PROTECTION AGENCY

The Farmers Home Administration and Environmental Protection Agency have executed a Memorandum of Understanding in June-July 1985 to record an agreement between the two agencies, concerning review of Projects that involve Federal financial assistance, and that may affect Sole Source Aquifers in Pennsylvania designated pursuant to Section 1424 (e) of the Safe Drinking Water Act (PL 93-523). Subsequently in August 1988, the two mile wide area on each side of the Delaware River, was also designated as a Sole Source Aquifer. A map of the designated area is provided in Attachment 1. Therefore, it is the intent of this amendment to include this area and the projects financed by Farmers Home Administration in these areas, to be covered by the review procedure discussed in the Memorandum of Understanding.

All other clauses in the Memorandum of Understanding remain unchanged.

U.S. Department of Agriculture
Farmers Home Administration

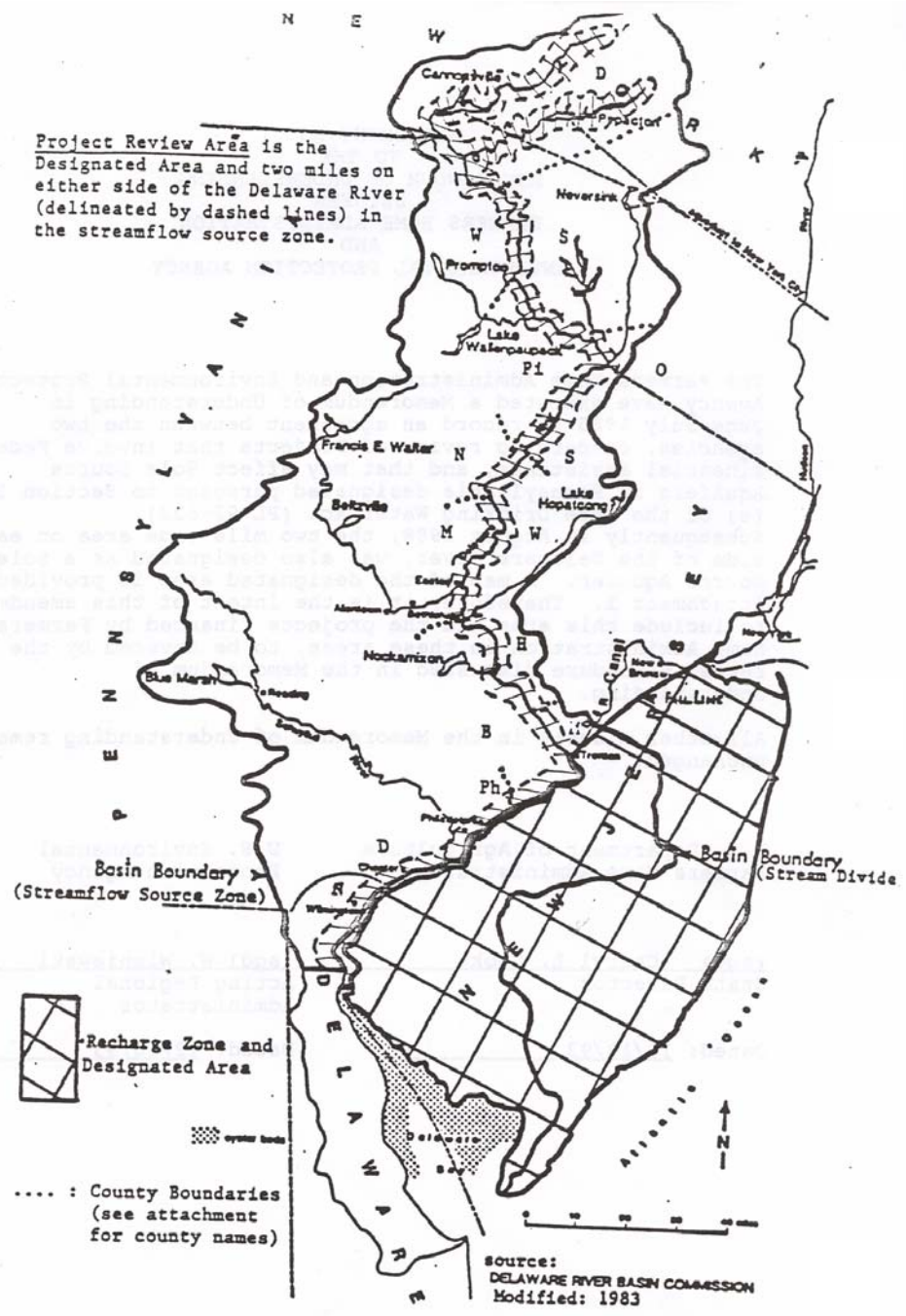
U.S. Environmental
Protection Agency

(sgd) Cheryl L. Cook
State Director

(sgd) W. Wisniewski
Acting Regional
Administrator

Dated: 10/18/93

Dated: 12/10/93



Project Review Area is the Designated Area and two miles on either side of the Delaware River (delineated by dashed lines) in the streamflow source zone.

NEW JERSEY COASTAL PLAIN SOLE SOURCE AQUIFER